

AMENDED IN SENATE MAY 31, 2005

SENATE BILL

No. 377

Introduced by Senator Ortiz

February 17, 2005

~~An act to amend Section 12693.70 of the Insurance Code, relating~~
An act to amend Sections 12693.33, 12693.45, and 12693.74 of the
Insurance Code, and to amend Section 14012 of the Welfare and
Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 377, as amended, Ortiz. ~~Healthy Families Program.~~
Administration.

Existing law establishes the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health services to eligible persons ~~who meet certain household income requirements. Existing law provides that all income over 200% but less than 250% of the federal poverty level shall be disregarded in calculating household income for coverage of certain infants.~~

~~This bill would instead provide that all income over 200% but less than 275% of the federal poverty level shall be disregarded for the coverage of these infants.~~

Existing law also establishes the Medi-Cal program, administered by the State Department of Health Services, that provides certain benefits to qualified recipients. Under existing law, the board and department are required, to the extent allowed by federal law, to develop a joint Medi-Cal and Healthy Families Program application and enrollment form. Existing law makes a subscriber eligible for the Healthy Families Program for a 12-month period and allows disenrollment after 2 consecutive months of nonpayment of the

required contribution. Under existing law, the Medi-Cal program requires annual reaffirmation of eligibility.

This bill would require designated programs including the Child Health and Disability Prevention Program (CHDP), to forward information required for the joint Medi-Cal and Healthy Families Program application and enrollment process. The bill would require a subscriber in the Healthy Families Program and a recipient of services in the Medi-Cal program to provide information to continue their eligibility only if they experienced a change in criteria affecting their eligibility for those programs. The bill would delete authority to disenroll an applicant for failure to pay the requisite family contribution under the Healthy Families Program and, instead, require the board to develop a schedule for payment of the delinquent contributions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. *It is the intent of the Legislature that this act*
2 *become operative only if the Legislature provides full funding for*
3 *its operation in the annual Budget Act.*

4 SEC. 2. *Section 12693.33 of the Insurance Code is amended*
5 *to read:*

6 12693.33. (a) *To the extent feasible and permissible under*
7 *federal law and with receipt of necessary federal approvals, the*
8 *State Department of Health Services and the board shall develop*
9 *a joint Medi-Cal and program application and enrollment form*
10 *for children. The department shall seek any federal approval*
11 *necessary to implement a combined application form. If*
12 *information not included in this application form is required to*
13 *determine eligibility for Medi-Cal or the program, the State*
14 *Department of Health Services and the board are authorized to*
15 *obtain that information from the applicant.*

16 (b) *The Head Start program, state-subsidized child care*
17 *programs, and the Child Health and Disability Prevention*
18 *Program (Article 6 (commencing with Section 124025) of*
19 *Chapter 3 of Part 2 of Division 106 of the Health and Safety*
20 *Code) shall forward all information required for the joint*
21 *Medi-Cal and program application process described in*

1 *subdivision (a), and that information may be used to determine*
2 *eligibility for those programs.*

3 *SEC. 3. Section 12693.45 of the Insurance Code is amended*
4 *to read:*

5 12693.45. ~~(a) After two consecutive months of nonpayment~~
6 ~~of family contributions by an applicant, and a reasonable written~~
7 ~~notice period of no less than 30 days is provided to the applicant,~~
8 ~~subscribers or purchasing credit members may be disenrolled for~~
9 ~~an applicant's failure to pay family contributions. The the board~~
10 ~~may impose or contract for collection actions to collect unpaid~~
11 ~~family contributions shall develop a schedule allowing the~~
12 ~~applicant to pay the delinquent family contributions. The board~~
13 ~~shall adopt regulations setting forth a process for developing~~
14 ~~these schedules.~~

15 ~~(b) Subject to any additional requirements of federal law,~~
16 ~~disenrollments shall be effective at the end of the second~~
17 ~~consecutive month of nonpayment.~~

18 *SEC. 4. Section 12693.74 of the Insurance Code is amended*
19 *to read:*

20 12693.74. Subscribers shall continue to be eligible for the
21 program for a period of 12 months from the month eligibility is
22 established. *The board shall require a subscriber to submit a*
23 *renewal form at the end of this 12-month period only if a change*
24 *has occurred during that period to any information required in*
25 *this chapter to be eligible for the program.*

26 *SEC. 5. Section 14012 of the Welfare and Institutions Code is*
27 *amended to read:*

28 14012. Reaffirmation shall be ~~filed annually and may be~~
29 ~~required at other times in accordance with general standards~~
30 ~~established by the department only if the recipient's~~
31 ~~circumstances affecting his or her eligibility for services under~~
32 ~~this chapter have changed since the date he or she last filed a~~
33 ~~reaffirmation.~~

34 ~~SECTION 1. Section 12693.70 of the Insurance Code is~~
35 ~~amended to read:~~

36 12693.70. ~~To be eligible to participate in the program, an~~
37 ~~applicant shall meet all of the following requirements:~~

38 ~~(a) Be an applicant applying on behalf of an eligible child,~~
39 ~~which means a child who is all of the following:~~

~~(1) Less than 19 years of age. An application may be made on behalf of a child not yet born up to three months prior to the expected date of delivery. Coverage shall begin as soon as administratively feasible, as determined by the board, after the board receives notification of the birth. However, no child less than 12 months of age shall be eligible for coverage until 90 days after the enactment of the Budget Act of 1999.~~

~~(2) Not eligible for no-cost full-scope Medi-Cal or Medicare coverage at the time of application.~~

~~(3) In compliance with Sections 12693.71 and 12693.72.~~

~~(4) A child who meets citizenship and immigration status requirements that are applicable to persons participating in the program established by Title XXI of the Social Security Act, except as specified in Section 12693.76.~~

~~(5) A resident of the State of California pursuant to Section 244 of the Government Code; or, if not a resident pursuant to Section 244 of the Government Code, is physically present in California and entered the state with a job commitment or to seek employment, whether or not employed at the time of application to or after acceptance in the program.~~

~~(6) (A) In either of the following:~~

~~(i) In a family with an annual or monthly household income equal to or less than 200 percent of the federal poverty level.~~

~~(ii) When implemented by the board, subject to subdivision (b) of Section 12693.765 and pursuant to this section, a child under the age of two years who was delivered by a mother enrolled in the Access for Infants and Mothers Program as described in Part 6.3 (commencing with Section 12695). For purposes of this clause, any infant born to a woman whose enrollment in the Access for Infants and Mothers Program begins after June 30, 2004, shall be automatically enrolled in the Healthy Families Program. This enrollment shall cover the first 12 months of the infant's life. At the end of the 12 months, as a condition of continued eligibility, the applicant shall provide income information. The infant shall be disenrolled if the gross annual household income exceeds the income eligibility standard that was in effect in the Access for Infants and Mothers Program at the time the infant's mother became eligible, or following the two-month period established in Section 12693.981 if the infant is eligible for Medi-Cal with no share of cost. At the end of the~~

1 ~~second year, infants shall again be screened for program~~
2 ~~eligibility pursuant to this section, with income eligibility~~
3 ~~evaluated pursuant to clause (i), subparagraphs (B) and (C), and~~
4 ~~paragraph (2) of subdivision (a).~~

5 ~~(B) All income over 200 percent of the federal poverty level~~
6 ~~but less than or equal to 275 percent of the federal poverty level~~
7 ~~shall be disregarded in calculating annual or monthly household~~
8 ~~income.~~

9 ~~(C) In a family with an annual or monthly household income~~
10 ~~greater than 275 percent of the federal poverty level, any income~~
11 ~~deduction that is applicable to a child under Medi-Cal shall be~~
12 ~~applied in determining the annual or monthly household income.~~
13 ~~If the income deductions reduce the annual or monthly household~~
14 ~~income to 275 percent or less of the federal poverty level,~~
15 ~~subparagraph (B) shall be applied.~~

16 ~~(b) If the applicant is applying for the purchasing pool, and~~
17 ~~does not have a family contribution sponsor the applicant shall~~
18 ~~pay the first month's family contribution and agree to remain in~~
19 ~~the program for six months, unless other coverage is obtained~~
20 ~~and proof of the coverage is provided to the program.~~

21 ~~(c) An applicant shall enroll all of the applicant's eligible~~
22 ~~children in the program.~~

23 ~~(d) In filing documentation to meet program eligibility~~
24 ~~requirements, if the applicant's income documentation cannot be~~
25 ~~provided, as defined in regulations promulgated by the board, the~~
26 ~~applicant's signed statement as to the value or amount of income~~
27 ~~shall be deemed to constitute verification.~~

28 ~~(e) An applicant shall pay in full any family contributions~~
29 ~~owed in arrears for any health, dental, or vision coverage~~
30 ~~provided by the program within the prior 12 months.~~